



## (U) Contracting Lingo

FROM: SIGINT Communications  
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Run Date: 12/02/2005

(U) So, up until now you have been able to avoid understanding the whole contracting world. As far as you were concerned, all that mumbo-jumbo relating to contractors -- how they got here and what they did -- was someone else's job. Then all of a sudden, there he or she was - a contractor! -- working on your project or your organization's staff or in your office (although fewer and fewer contractors will be sharing the same office space with you... more on that later).

(U) The first thing you notice is that they are speaking a language that sounds like English but oddly enough, it isn't quite comprehensible. For example, early on in the relationship you are informed that the statement of work doesn't cover the task you just asked the contractor to do. And since the prime contractor hasn't provided the GFE to the subcontractor there is not any way for the subcontractor to accomplish the task either. HUH? (By the way, for those of you out there that totally understand the meaning of those two sentences... no gloating!)

(U) To help you through these changing times here is a (very) short list of terms and their meanings that you may be hearing these days:

**Break in Service** The period of time when an old contract has expired, but a new contract is not yet in effect. As a result, work on the project stops. A break in service can also occur when there is a lapse in funding.

**Bridge Contract** A contract extension that keeps work going on a given project, thereby avoiding a "break in service."

**Burn Rate** The monthly rate at which a contractor's funds are expended during the period of the contract.

**Contract Categories** There are two broad categories: fixed-price contracts and cost-reimbursement contracts. The specific contract types range from firm fixed-price, in which the contractor has full responsibility for the performance cost and the resulting profit (loss), to cost plus fixed-fee, in which the contractor has minimal responsibility for the performance cost and the negotiated fee is fixed. In between are various incentive contracts, in which the contractor's responsibility for the performance cost and the profit or fee incentives offered are tailored to the uncertainties involved in contract performance.

**Full-Time Equivalent (FTE)** Used in connection with compensation, the FTE represents the equivalent of a single person employed for the entire fiscal year, e.g., one full time employee generally represents one FTE; two employees who work only half-time will count as one FTE.

**Government Furnished Equipment or Property (GFE/GFP)** Equipment/Property owned by the government that is delivered or otherwise made available to a contractor.

**Prime Contract** An agreement between a contractor and the government for the purposes of obtaining supplies, materials, equipment, or services of any kind. The prime contractor may in turn sign separate contracts with other private companies (subcontractors) to fulfill parts of the prime contract.

**Recompete** This occurs when the government lets an existing contract expire and asks companies to submit competitive bids on a new contract. It does this by issuing an RFP (below).

**Request for Proposal (RFP)** The document by which the government communicates its requirements to prospective contractors and solicits proposals.

**SETA Contractors** Systems Engineering and Technical Assistance contractors, who provide technical assistance for a system but do not have overall contractual responsibility for its development, integration, assembly, or production.

**Statement of Work (SOW)** The portion of a contract which lists all requirements for contractor's efforts directly (e.g. "Contractor will write an operations manual for the system...") or with the use of specified documents (e.g. "Contractor will comply with all documentation requirements as stated in the Contract Data Requirements List (CDRL)"). A statement of work may outline specific deliverables (a document, a process, a tool) or the provision of a service (strategic planning support, meeting facilitation) or both.

(U) For future reference it might be a good idea to bookmark the [GLOSSARY OF TERMS](#) Developed by Department of Defense, Defense Systems Management College (augmented with NSA/CSS terminology). A DA3 (NSA's Maryland Procurement Office) webpage had good info as well:



(U) Regarding contractors actually sitting in your office space, the Senior Acquisition Executive and the Associate Director for I&L released [EXECmessage-108](#) outlining the approval process for having contractors occupy space within NSA. It is not a foregone conclusion that just because contractors are doing work for you, that they will be sitting in your spaces. But you will still need to communicate with them!

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